

TRF Substitute Teacher Update

As you may know, the Teachers' Retirement Fund (TRF) recently held an employee workshop in Indianapolis for covered employers. There were many questions with respect to when a substitute teacher is eligible for membership in the TRF and when contributions should be collected. While membership in the fund is driven by state pension law, TRF desires to have an equitable and uniform statewide application of the substitute teacher service credit and contribution policy. To that end, the following policy has been established.

Substitute Teacher Eligibility Policy

- A. Pursuant to Indiana law, in order for part-time and substitute teachers to be members of the Fund, they must:
 - 1. Be certified by the Indiana State Board of Education (IC 20-6.1-3-2);
 - 2. Have obtained at least an associates degree (IC 21-6.1-4-1); and
 - 3. Teach at least one hundred twenty (120) days in a year or at least sixty (60) days in each of two years (550 IAC 2-4-3; IC 21-6.1-4-2).
- B. No contributions should be collected for substitute teachers who do not meet the criteria outlined above. Once otherwise qualified substitute teachers teach the requisite number of days, they become members of the Fund and the substitute teachers and their employers must **begin** making contributions (IC 21-6.1-4-9; 21-6.1-7-7; 21-6.1-7-12). Retroactive payments for service performed prior to a teacher reaching the requisite number of days are not required. Should teachers wish to purchase service credit for substitute teaching service prior to becoming a member of the Fund, they may do so pursuant to the rules set forth in IC 21-6.1-4-4.7. These rules provide that the teacher may purchase prior substitute teaching service at an actuarially determined rate while they are actively employed and before retirement.

For your convenience and review, here are some frequently asked questions (FAQ's) and answers on this subject that you may find helpful.

- Q. Does the 60-day requirement mentioned in "B" above mean 60 days in consecutive school years?**
 - A. No, the statute only requires that the teacher has taught at least 60 days in any two-year period (IC 21-6.1-4-2).
- Q. If a substitute teacher only teaches a few hours in a school day, does that count as a full day?**
 - A. Yes, even if the substitute teaches only one class and receives compensation, then the substitute is counted as having taught one day.
- Q. What if a substitute teaches a half-day at one school, a half-day at another school and a night class during the same day?**

A. The substitute is counted as having taught one day. A teacher can never earn more than one day in a twenty-four hour period.

Q. Once a substitute teacher is determined to be a member of the Fund, how long will the teacher continue as a member of the Fund?

A. Generally, all teachers will remain members of the Fund until they retire or suspend their membership by separating from teaching and withdrawing their annuity savings account. So long as a teacher is a member of the Fund, the required contributions must be collected. The Board may suspend an unvested member after 2 years of no service when the member's annuity savings account is valued at less than \$200.00, but a member will automatically be suspended after 5 years of no service regardless of the value of their annuity savings account (IC 5-10.2-3-5). The annuity savings funds are returned to the members or held in trust for the members until distributed.

Q. What is the result if member teachers suspend their memberships and later begin substitute teaching?

A. In this case, the substitute teachers were previously members of the Fund and would, therefore, have already taught the requisite number of days to qualify for their earlier membership. The teachers must again teach 60 days in a school year, at which time they would become members of the Fund and contributions would begin.

Q. How does a substitute teacher, who later becomes a member of the Fund, claim credit for the previous substitute service?

A. The rules for claiming substitute teaching service are listed in IC 21-6.1-4-7. Generally, a member may purchase substitute teaching service if the member has at least one year of creditable service in the Fund and the member makes the required contributions before retirement. Accordingly, a member could wait until just before retirement before deciding to purchase substitute teaching credit. The formula for the contributions is outlined in the statute. There is also a statutory employer service verification requirement. Because of this requirement, school corporations should maintain adequate and accurate records of substitute teaching service for all of its substitute teachers.

Substitute teaching service is one of many complex issues that face school corporations, teachers, and the Fund. Each year, new legislation, tax rules and other regulations require an audit of the policies and procedures used by the Fund to ensure compliance. Working together we can successfully provide the best possible service for your employees and the Fund's members. Should you have any questions, please call or write.